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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
JUNE 1958

Volume 2

Number 11

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Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY JUNE 1958

The Chattanooga Tennessee Order MINIMUM uniform producer prices per cwt. f.o.b. Pool Plants for milk testing 4.0% are: Base Milk \$4.48, Excess Milk \$2.95. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%. (See page 3) It is reported by Chattanooga Area Milk Producers Association that their negotiated Class I premium with area handlers has resulted in a producer Base blend of \$4.66 for 4.0% milk.

During June 69.4% of the total producer milk was priced in Class I at \$4.96 per cwt. with a butterfat differential of 7.5 cents and 30.6% was priced in Class II at \$2.99 per cwt. with a butterfat differential of 6.6 cents. The percent of producer skim and butterfat priced in Class I was 69.9% and 59.6% respectively. Base milk was 90.1% and excess milk was 9.9% of the total producer deliveries. All excess milk and 22.9% of base milk was priced in Class II and 77.1% of base milk was priced in Class I.

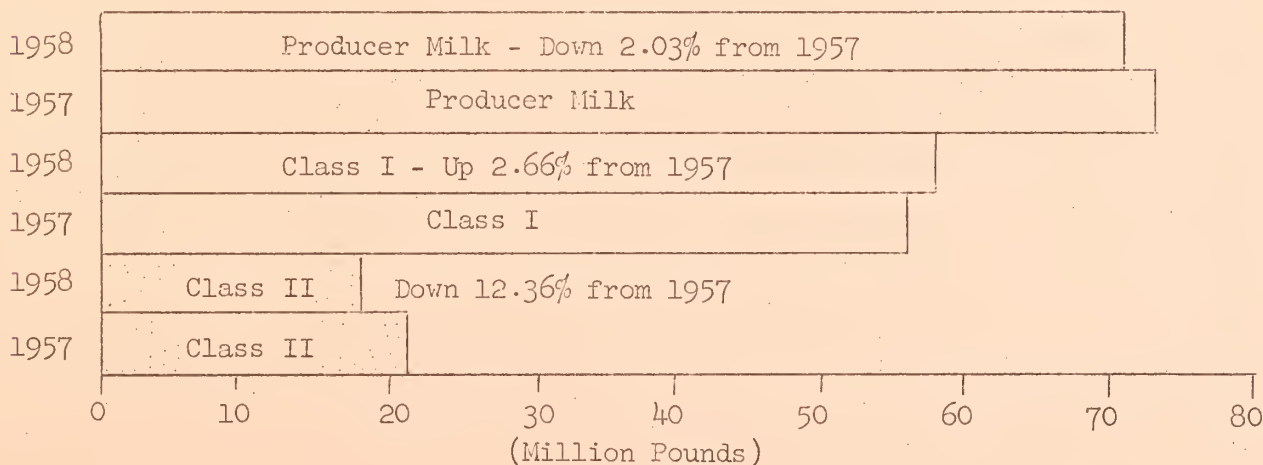
The daily average deliveries of producer milk during June decreased 10.9% compared with May and decreased 2.5% compared with June 1957. The daily average use of Class I milk decreased 7.1% compared with May and increased 1.3% compared with June 1957. The daily average base deliveries was 89.1% of the established base.

NUMBER OF FARM PAYROLL ACCOUNTS

	1957							1958						
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
New	0	2	14	17	13	3	3	2	0	1	3	0	0	
Quit	0	3	0	12	12	4	4	8	2	4	4	7	4	
Total	793	792	806	811	812	811	810	804	802	799	798	791	787	
Cans	696	694	700	696	686	675	667	647	641	626	614	600	586	
Bk.Tank	97	98	106	115	126	136	143	157	161	173	184	191	201	

ACTIVITIES OF CHECK TESTERS JUNE 1958: Plant Scales checked 5; Plant calls 143; Samples tested - Composite 2,204, Fresh 5,487, Finished Products 230.

PRODUCER RECEIPTS COMPARED TO GROSS CLASS UTILIZATION
(JANUARY THROUGH JUNE)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>June '58</u>	<u>May '58</u>	<u>June '57</u>
Number of Plants (Pool and Non-Pool)	21	21	20
<u>GROSS RECEIPTS (DAILY)</u>			
Producer Milk - Cans	-	287,829	319,047
Producer Milk - Bulk Tank	-	141,418	73,377
Total Producer Milk Pounds	382,485	429,247	392,424
% June '58 compared with:	100.0	89.1	97.5
Other Source Milk Pounds	5,473	4,792	5,374
Other Order Milk Pounds	23,322	23,794	17,359
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>411,280</u>	<u>457,833</u>	<u>415,157</u>
% June '58 compared with:	100.0	89.8	99.1
<u>GROSS UTILIZATION (DAILY)</u>			
Class I milk Pounds:			
Fluid Milk	233,409	257,542	234,142
Buttermilk	37,706	37,892	35,753
Chocolate Milk	6,738	6,455	6,718
Fluid Skim	6,084	6,658	4,590
Fluid Creams	1,817	2,384	1,915
Bulk to Non-Handlers	2,331	74	362
Class I Shrinkage	1,030	947	2,369
Inventory Reclass.	(93)	(711)	(330)
Overstated Sales	-0-	-0-	(80)
Total Class I Milk	289,022	311,241	285,439
% June '58 compared with:	100.0	92.9	101.3
Class II Milk Pounds (Used to Produce)			
Butter	909	1,285	1,853
Cottage Cheese	12,026	10,665	10,012
Powdered and Condensed Milk	65,948	108,227	80,051
Ice Cream	28,191	26,764	25,276
Inventory Variation	6,896	(9,731)	4,709
Other	8,288	9,382	7,817
Total Class II Milk	122,258	146,592	129,718
% June '58 compared with:	100.0	83.4	94.2
<u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS.</u>	<u>411,280</u>	<u>457,833</u>	<u>415,157</u>
 % Producer Milk of Gross Class I	 132.3	 137.9	 137.5
% Delivered Base of Gross Class I	119.3	118.6	117.2
% Delivered Base priced in Class I	77.1	77.8	80.0
% Producer Milk Priced in Class I	69.4	66.9	68.2

JULY 1958 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>July '58</u>	<u>June '58</u>	<u>July '57</u>
Basic Formula (See page 4)	\$3.30	\$3.33	\$3.53
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	-0.10	-0.12	.00
Class I Price, 4.0% Butterfat	<u>\$4.95</u>	<u>\$4.96</u>	<u>\$5.28</u>

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: May and June	
Supply: Lbs. Producer Milk (May 13,306,653 and June 11,474,557)	<u>24,781,210</u>
Demand: Lbs. Net Class I Milk (May 9,167,298 and June 8,193,000)	<u>17,360,298</u>
Utilization Percentage: Producer milk divided by Class I	<u>143</u>
Standard Utilization Percentage: Range 134-138	<u>138</u>
Net Deviation Percentage: Utiliz. % 143 minus Standard Utiliz. % 138 plus	<u>5</u>
Supply-Demand Adjustment: 2 cents x 5 percentage points	minus <u>\$0.10</u>

Since the supply in relation to the demand is more than the desired standard, the price is decreased 10 cents per hundredweight (2 cents x 5 percentage points).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JUNE 1958
Based on 21 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		8,670,671	3.550		
Less Other Source		701,877	3.801		
Producer Milk Class I	69.4	7,968,794	3.527535	\$4.605651	\$367,014.84
Gross Class II		3,667,742	5.215		
Less Other Source		161,979	0.327		
Producer Milk Class II	30.6	3,505,763	5.441127	3.941144	138,167.17
TOTAL PROD. (Cl. I + Cl. II)	100.0	11,474,557	4.112185		505,182.01
Add Fractional Adjustment					.02
Add Compensatory Payment Value					87.79
Add Overage Value					154.32
Add Inventory Reclass. Value					-
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,765.33
TOTAL VALUE AT TEST		11,474,557	4.112185		511,189.47
Less Test Over 4% @ 7.2¢ per point		11,474,557	.112185	0.080773	9,268.34
TOTAL PRODUCER MILK VALUE AT 4% TEST		11,474,557	4.0		501,921.13
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,133,286	\$2.99	\$33,885.25	
Total Excess Producer Milk		1,133,286	2.99	33,885.25	
Less Prod.-Settlement Fund Res. @ 4¢		1,133,286	.04		453.31
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,133,286	2.95		33,431.94
Value of Base Milk (Total less excess)		10,341,271	4.525903		468,035.88
Less Prod. -Settlement Fund Reserve		10,341,271	.045903		4,746.95
UNIFORM BASE PRICE f.o.b. PLANT - 4%		10,341,271	4.48		463,288.93

JUNE 1958 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.2 ¢ PER POINT

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$3.76	\$2.23	4.0%	\$4.48	\$2.95	5.0%	\$5.20	\$3.67
3.05	3.796	2.266	4.05	4.516	2.986	5.05	5.236	3.706
3.1	3.832	2.302	4.1	4.552	3.022	5.1	5.272	3.742
3.15	3.868	2.338	4.15	4.588	3.058	5.15	5.308	3.778
3.2	3.904	2.374	4.2	4.624	3.094	5.2	5.344	3.814
3.25	3.94	2.41	4.25	4.66	3.13	5.25	5.38	3.85
3.3	3.976	2.446	4.3	4.696	3.166	5.3	5.416	3.886
3.35	4.012	2.482	4.35	4.732	3.202	5.35	5.452	3.922
3.4	4.048	2.518	4.4	4.768	3.238	5.4	5.488	3.958
3.45	4.084	2.554	4.45	4.804	3.274	5.45	5.524	3.994
3.5	4.12	2.59	4.5	4.84	3.31	5.5	5.56	4.03
3.55	4.156	2.626	4.55	4.876	3.346	5.55	5.596	4.066
3.6	4.192	2.662	4.6	4.912	3.382	5.6	5.632	4.102
3.65	4.228	2.698	4.65	4.948	3.418	5.65	5.668	4.138
3.7	4.264	2.734	4.7	4.984	3.454	5.7	5.704	4.174
3.75	4.30	2.77	4.75	5.02	3.49	5.75	5.74	4.21
3.8	4.336	2.806	4.8	5.056	3.526	5.8	5.776	4.246
3.85	4.372	2.842	4.85	5.092	3.562	5.85	5.812	4.282
3.9	4.408	2.878	4.9	5.128	3.598	5.9	5.848	4.318
3.95	4.444	2.914	4.95	5.164	3.634	5.95	5.884	4.354

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
June '57	\$4.55 ² / ₁	\$4.82 ¹ / ₁	\$3.04	7.1 ¹ / ₂	\$5.28	7.7 ¹ / ₂	\$3.08	6.8 ¹ / ₂
July	4.69 ² / ₁	4.96 ¹ / ₁	3.00	7.1	5.28	7.7	3.04	6.8
Aug.	4.94 ¹ / ₁	-	-	7.2	5.28	7.7	3.06	6.9
Sept.	4.98 ¹ / ₁	-	-	7.3	5.29 ¹ / ₁	7.7	3.61	7.0
Oct.	4.92 ¹ / ₁	-	-	7.2	5.36 ¹ / ₁	7.9	3.55	6.9
Nov.	5.06 ¹ / ₁	-	-	7.1	5.30 ¹ / ₁	7.8	3.53	6.8
Dec.	4.87 ¹ / ₁	-	-	7.2	5.28 ¹ / ₁	7.7	3.54	6.9
Jan. '58	4.94 ¹ / ₁	-	-	7.1	5.29 ¹ / ₁	7.8	3.56	6.8
Feb.	5.02 ¹ / ₁	-	-	7.1	5.31 ¹ / ₁	7.7	3.16	6.8
Mar.	4.90 ² / ₁	5.02 ¹ / ₁	3.06	7.4	5.32	7.7	3.10	6.8
Apr.	4.57 ² / ₁	4.83 ¹ / ₁	2.98	7.2	5.37	7.7	3.02	6.6
May	4.35 ² / ₁	4.58 ¹ / ₁	2.94	7.2	5.08 ¹ / ₁	7.5	2.98	6.6
June	4.33 ² / ₁	4.48 ¹ / ₁	2.95	7.2	4.96 ¹ / ₁	7.5	2.99	6.6
July	-	-	-	-	4.95 ¹ / ₁	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Cond. Mid-West	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Cond. Mid-West	Butter	Butter 4 Tenn.		
	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	Mid-West	Cheese	Powder	Milk Mfg.	
June '57	3.058	59.375	14.305	33.208	3.41	3.24	3.53	3.08	3.53
July	3.042	59.375	14.155	33.208	3.40	3.24	3.53	3.04	3.53
Aug.	3.062	59.597	14.275	33.208	3.42	3.25	3.54	3.06	3.54
Sept.	3.096	61.100	14.355	33.250	3.46	3.32	3.61	3.11	3.61
Oct.	3.135	59.815	14.410	33.250	3.50	3.26	3.55	3.14	3.55
Nov.	3.150	59.375	14.450	33.250	3.51	3.24	3.53	3.19	3.53
Dec.	3.146	59.685	14.475	33.250	3.51	3.25	3.54	3.21	3.54
Jan. '58	3.133	59.375	14.535	33.250	3.49	3.24	3.56	3.19	3.56
Feb.	3.110	59.375	14.460	33.250	3.47	3.24	3.53	3.16	3.53
Mar.	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52
April	2.956	57.750	13.405	31.057	3.32	3.13	3.37	3.02	3.37
May	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK ³ / ₁				Gross Repts.	Number of Hdlr. Prod.		Deliveries Per Farm -- Pounds			Prod. Milk Test %
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.				Prod.	Base	Exc.	
June '57	285,439	267,528	392,424	334,437	415,157	20	793	495	422	73	4.23
July	297,226	279,211	373,547	322,809	396,217	21	792	472	408	64	4.19
Aug.	323,309	304,631	355,094	-	379,066	21	806	441	-	-	4.19
Sept.	335,146	316,740	376,370	-	401,147	21	811	464	-	-	4.29
Oct.	322,887	304,432	395,314	-	417,532	21	812	487	-	-	4.49
Nov.	361,772	344,415	389,501	-	411,005	21	811	480	-	-	4.49
Dec.	319,015	301,282	386,242	-	408,374	22	810	477	-	-	4.50
Jan. '58	334,105	316,521	386,539	-	407,478	22	804	480	-	-	4.48
Feb.	337,688	319,166	363,397	-	385,591	22	802	453	-	-	4.46
Mar.	329,556	310,766	376,283	353,017	399,958	23	799	471	442	29	4.30
Apr.	315,935	292,181	431,141	371,344	458,881	23	798	540	465	75	4.22
May	311,241	287,162	429,247	369,216	457,833	21	791	543	467	76	4.21
June	289,022	265,626	382,485	344,709	411,280	21	787	486	438	48	4.11

¹/ Excludes Premium²/ For statistics only³/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base